

Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill

[AS INTRODUCED]

CONTENTS

Section

Fuel poverty target

- 1 The 2040 target
- 2 Meaning of fuel poverty

Fuel poverty strategy

- 3 Preparation of strategy
- 4 Consultation on strategy
- 5 Publication and laying of strategy

Reporting on fuel poverty

- 6 Preparation of periodic reports
- 7 Consultation on periodic reports
- 8 Publication and laying of periodic reports
- 9 Report on the 2040 target

General

- 10 Power to modify section 2
- 11 Regulation-making powers
- 12 Consequential modifications
- 13 Commencement
- 14 Short title

**THE FOLLOWING ACCOMPANYING DOCUMENTS ARE ALSO PUBLISHED:
Explanatory Notes (SP Bill 37-EN), a Financial Memorandum (SP Bill 37-FM), a Policy
Memorandum (SP Bill 37-PM) and statements on legislative competence (SP Bill 37-LC).**

Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill

[AS INTRODUCED]

An Act of the Scottish Parliament to set a target relating to the eradication of fuel poverty; to define fuel poverty; to require the production of a fuel poverty strategy; and to make provision about reporting on fuel poverty.

Fuel poverty target

- 5 **1 The 2040 target**
- (1) The target is that in the year 2040, no more than 5% of households in Scotland are in fuel poverty.
- (2) In this Act, the target set out in subsection (1) is known as the “2040 target”.
- 10 **2 Meaning of fuel poverty**
- (1) A household is in fuel poverty if—
- (a) the fuel costs necessary for the home in which members of the household live to meet the conditions set out in subsection (2) are more than 10% of the household’s adjusted net income, and
- 15 (b) after deducting such fuel costs and the household’s childcare costs (if any), the household’s remaining adjusted net income is insufficient to maintain an acceptable standard of living for members of the household.
- (2) For the purpose of subsection (1)(a), the conditions are that—
- (a) the requisite temperatures are met for the requisite number of hours, and
- (b) the household’s other reasonable fuel needs within the home are met.
- 20 (3) For the purpose of subsection (2)(a)—
- (a) the requisite temperatures are—
- (i) in the case of a household for which enhanced heating is appropriate—
- (A) 23 degrees Celsius for the living room,
- (B) 20 degrees Celsius for any other room,

- (ii) otherwise—
 - (A) 21 degrees Celsius for the living room,
 - (B) 18 degrees Celsius for any other room,
 - (b) the requisite number of hours is—
 - (i) in the case of a household for which enhanced heating is appropriate, 16 hours a day,
 - (ii) otherwise—
 - (A) 9 hours a day on a weekday,
 - (B) 16 hours a day during the weekend.
- (4) The Scottish Ministers may by regulations specify the types of household for which enhanced heating is appropriate.
- (5) A household's remaining adjusted net income is sufficient to maintain an acceptable standard of living for the purpose of subsection (1)(b) if it is at least 90% of the minimum income standard applicable to the household after deduction of the notional costs allocated as part of that standard to—
 - (a) rent,
 - (b) council tax and water rates,
 - (c) fuel,
 - (d) childcare.
- (6) In this section—
 - (a) “adjusted” means adjusted by deducting housing costs,
 - (b) “childcare costs” means the costs of any care or supervised activity provided—
 - (i) for a child who is below school age or who is receiving primary education (within the meaning of section 135 of the Education (Scotland) Act 1980), and
 - (ii) other than care or supervised activity provided in the course of the child's compulsory education or where the main reason for incurring the costs is the child's participation in the activity,
 - (c) “household” means—
 - (i) one person living alone in a private dwelling, or
 - (ii) a group of people living together as a family or other unit (whether or not related) in a private dwelling, who—
 - (A) have the dwelling as their only or main residence, and
 - (B) share living accommodation and cooking facilities,
 - (d) “housing costs” means—
 - (i) rent or mortgage costs,
 - (ii) council tax (within the meaning of section 99(1) of the Local Government Finance Act 1992), and
 - (iii) charges for the provision of water services and sewerage, incurred in respect of the home in which members of the household live,

- (e) “minimum income standard” means the minimum income standard determined by—
- (i) the Centre for Research in Social Policy at Loughborough University in conjunction with the Joseph Rowntree Foundation, or
 - (ii) such other person as the Scottish Ministers may from time to time determine,
- (f) “net income” means the income of all adults in the household after deduction of—
- (i) the income tax payable on that income, and
 - (ii) the national insurance contributions for which those adults are liable under Part 1 of the Social Security Contributions and Benefits Act 1992.

Fuel poverty strategy

3 Preparation of strategy

- (1) The Scottish Ministers must prepare a fuel poverty strategy.
- (2) The fuel poverty strategy must—
 - (a) set out the approach the Scottish Ministers intend to take to ensure that the 2040 target is met,
 - (b) set out organisations, or types of organisations, with which the Scottish Ministers intend to work to ensure that the 2040 target is met,
 - (c) identify characteristics of households which—
 - (i) are likely to be in fuel poverty, or
 - (ii) for which getting out of fuel poverty presents particular challenges,
 - (d) set out how the Scottish Ministers intend to assess—
 - (i) progress towards meeting the 2040 target, and
 - (ii) whether the 2040 target is met.
- (3) The fuel poverty strategy may include such other information as the Scottish Ministers consider appropriate.

4 Consultation on strategy

- (1) In preparing the fuel poverty strategy, the Scottish Ministers must consult such persons as they consider appropriate.
- (2) The persons consulted under subsection (1) must include individuals who are living, or have lived, in fuel poverty.
- (3) For the purpose of subsection (1), it is immaterial that anything done by way of consultation was done—
 - (a) before the Bill for this Act was passed, or
 - (b) after that but before this section comes into force.

5 Publication and laying of strategy

- (1) The Scottish Ministers must—
- (a) publish the fuel poverty strategy, and
 - (b) lay a copy of it before the Scottish Parliament.
- (2) Subsection (1) must be complied with before the expiry of the period of 1 year beginning with the day on which section 3 comes into force.

*Reporting on fuel poverty***6 Preparation of periodic reports**

- (1) The Scottish Ministers must, for each reporting period, prepare a report setting out—
- (a) the steps that have been taken during the reporting period for the purpose of meeting the 2040 target,
 - (b) the progress made in the reporting period towards meeting the 2040 target, and
 - (c) the steps that the Scottish Ministers propose to take in the next reporting period in order to meet the 2040 target.
- (2) A report under subsection (1) may include such other information as the Scottish Ministers consider appropriate.
- (3) Subsection (1) does not apply to a reporting period that ends on or after 31 December 2040.
- (4) The reporting periods are—
- (a) the period of 5 years beginning with the day on which the fuel poverty strategy is published under section 5,
 - (b) each subsequent period of 5 years.
- (5) For the purpose of paragraph (c) of subsection (1), where the next reporting period would include any period after 31 December 2040—
- (a) that paragraph is to be read as a requirement to set out the steps that the Scottish Ministers propose to take in the next reporting period in relation to fuel poverty, and
 - (b) it is immaterial for the purposes of calculating the next reporting period that a report will not require to be prepared at the end of that reporting period by virtue of subsection (3).

7 Consultation on periodic reports

- (1) In preparing a report under section 6, the Scottish Ministers must consult such persons as they consider appropriate.
- (2) The persons consulted under subsection (1) must include individuals who are living, or have lived, in fuel poverty.

8 Publication and laying of periodic reports

The Scottish Ministers must—

- (a) publish each report prepared under section 6, and

(b) lay a copy of it before the Scottish Parliament,
before the end of the financial year in which the reporting period ends.

9 Report on the 2040 target

- 5 (1) The Scottish Ministers must, no later than 31 March 2042, lay before the Scottish Parliament a report on the 2040 target.
- (2) The report must include information as to—
- (a) whether the 2040 target has been met, and
- (b) the percentage of households in Scotland in fuel poverty in the year 2040.
- 10 (3) The report may contain such other information as the Scottish Ministers consider appropriate.

General

10 Power to modify section 2

The Scottish Ministers may by regulations amend section 2 so as to—

- 15 (a) modify the meaning of—
- (i) requisite temperatures, and
- (ii) requisite number of hours,
in subsection (3) of that section,
- (b) modify the definitions for the time being in subsection (6) of that section,
- 20 (c) make different provision as to when a household's remaining adjusted net income is sufficient, or is insufficient, to maintain an acceptable standard of living for members of the household.

11 Regulation-making powers

- (1) Regulations under section 2(4) or 10—
- (a) are subject to the affirmative procedure,
- 25 (b) may make—
- (i) incidental, supplementary, consequential, transitional, transitory or saving provision,
- (ii) different provision for different purposes.
- (2) Before laying a draft of a Scottish statutory instrument containing regulations under section 2(4) or 10, the Scottish Ministers must consult such persons as they consider appropriate.
- 30 (3) The persons consulted under subsection (2) must include individuals who are living, or have lived, in fuel poverty.

12 Consequential modifications

- 35 (1) The Housing (Scotland) Act 2001 is amended as follows.

- (2) Section 88 (statement on fuel poverty), together with the italic heading preceding it, is repealed.
- (3) In section 89 (local housing strategies), after subsection (11) insert—
- 5 “(12) For the purpose of subsection (5)(b), a person lives in fuel poverty if the person is a member of a household which is in fuel poverty for the purposes of the Fuel Poverty (Target, Definition and Strategy) (Scotland) Act 2019.”.
- (4) Section 95 (meaning of “fuel poverty”), together with the italic heading preceding it, is repealed.

13 Commencement

- 10 (1) This section and section 14 come into force on the day after Royal Assent.
- (2) The other provisions of this Act come into force on such day as the Scottish Ministers may by regulations appoint.
- (3) Regulations under subsection (2) may—
- 15 (a) make different provision for different purposes,
- (b) include transitional, transitory or saving provision.

14 Short title

The short title of this Act is the Fuel Poverty (Target, Definition and Strategy) (Scotland) Act 2019.

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Introduced by: Angela Constance
Supported by: Kevin Stewart
On: 26 June 2018
Bill type: Government Bill

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